

# SANTA CLARA COUNTY ECONOMIC FORECAST

Santa Clara County is the largest county in the San Francisco Bay Area and accounts for more than 25 percent of the region's total employment. The northwest portion of the county, known as Silicon Valley, is home to many leading computer and electronics companies. The county thrived in the late 1990s when technology was booming, but since the dotcom bust of 2000 the county has been slow to recover. Santa Clara County has a population of 1.76 million people and more than 856,000 wage and salary jobs. The per capita income in Santa Clara County is \$48,634, and the average salary per worker is the highest in the state at \$80,710. The median family income is also highest in the state at \$97,100.

Although not nearly as robust as Southern California, employment growth in Northern California was strong in 2005, compared to the previous four years. Employment in the greater Bay Area increased by 0.8 percent last year. In 2005, nearly 6,000 wage and salary jobs were created in Santa Clara County, reversing four straight years of job losses in the county. Employment increased by 0.7 percent and the unemployment rate fell to 5.4 percent in 2005.

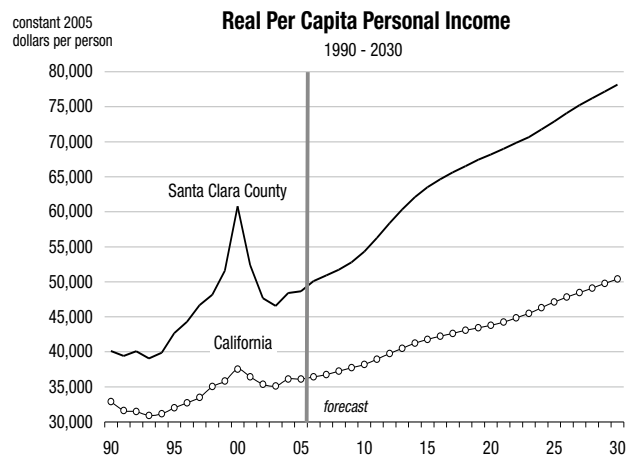
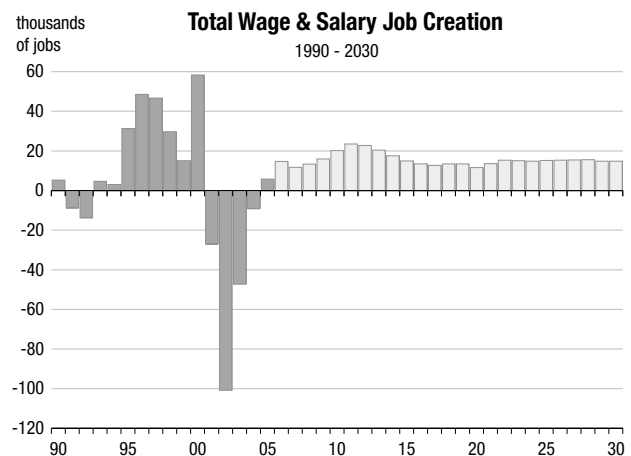
Job growth was lead by information technologies, which added 2,000 jobs. Also, the education and healthcare services, trade and leisure services sectors all increased employment by more than 1,400 jobs. The manufacturing sector had the largest decline in employment, losing nearly 3,000 jobs in 2005.

The population continues to grow in Santa Clara County, and the growth rate has risen to 1.2 percent per year. The fastest growing cities in the county are Gilroy and Morgan Hill, where population growth was 2.2 percent last year. The population of the largest city in the county, San Jose, grew 1.3 percent last year.

Employment growth is forecast to increase in Santa Clara County, while population growth will remain steady at about 1 percent. Total wage and salary employment is not forecast to reach the peak levels set in 2000 until 2015.

## FORECAST HIGHLIGHTS

- Job growth increases in 2006, averaging 1.7 percent. Job growth declines in 2007, but is still well above 1 percent. Over the next five years, from 2006 to 2010, the annual growth rate is forecast to average 1.7 percent per year.
- The population is expected to grow at a rate of 1.0 percent in 2006. Annual growth in the 2006 to 2010 period is also forecast to average of 1.0 percent per year.
- Net migration is expected to turn positive in 2006. Over the next five years an annual average of 725 net migrants is forecast.

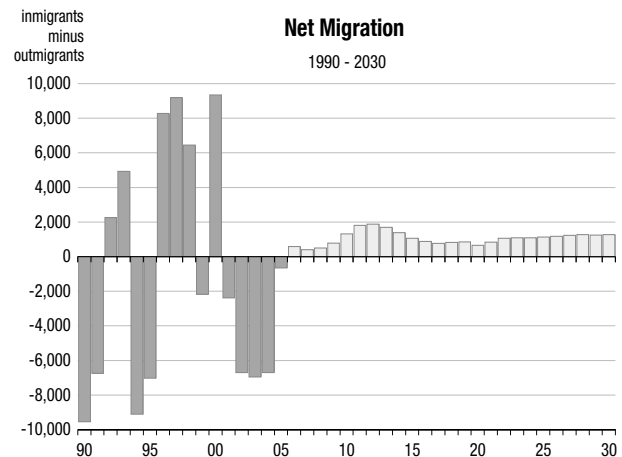
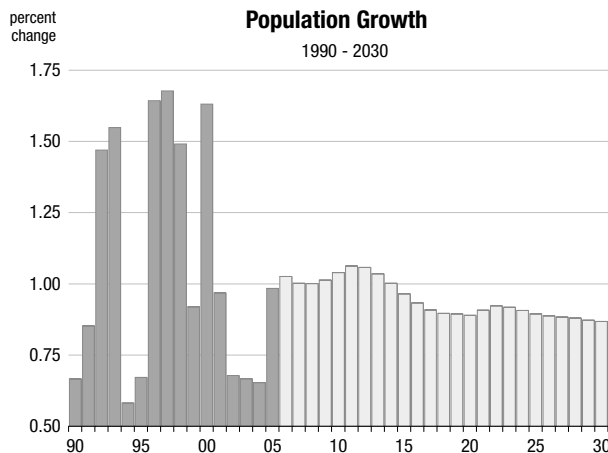


- Average salaries adjusted for inflation are currently well above the California state average, and will remain so over the forecast horizon. Real average salaries are forecast to rise an average of 1.6 percent per year over the next 5 years.
- Between 2006 and 2011, the momentum for employment growth is in the service sectors led by professional services, information, healthcare and education, which account for 63 percent of all jobs created in the county.
- Real per capita incomes increase at a rate of 3.0 percent in 2006. Over the next five years real per capita incomes are forecast to rise 2.2 percent per year.
- Industrial production is expected to increase 2.3 percent in 2006. Over the next five years the growth rate of industrial production is forecast to average gains of 2.0 percent per year.

# Santa Clara County Economic Forecast

## 1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	1,626,163	9,192	1.30	544.4	8,810	\$27.0	\$60.0	\$46,674	3.4	193.1	22.9	3.0
1998	1,650,414	6,453	1.39	551.5	7,686	\$27.5	\$64.9	\$48,166	3.2	195.8	24.7	3.2
1999	1,665,590	-2,169	1.40	559.2	6,014	\$30.3	\$73.0	\$51,577	4.2	207.1	26.1	3.0
2000	1,692,760	9,358	1.45	565.9	7,054	\$37.3	\$91.4	\$60,778	4.5	338.8	31.0	2.0
2001	1,709,162	-2,381	1.47	570.7	5,960	\$32.1	\$83.8	\$52,403	5.4	307.8	24.2	4.6
2002	1,720,766	-6,693	1.47	576.7	4,513	\$27.5	\$78.0	\$47,657	1.6	268.7	21.5	8.5
2003	1,732,262	-6,954	1.42	582.3	7,490	\$27.1	\$78.2	\$46,578	1.8	248.9	20.9	8.2
2004	1,743,585	-6,691	1.48	586.9	5,505	\$28.5	\$82.7	\$48,415	1.2	263.6	21.3	6.6
2005	1,760,741	-648	1.49	593.2	5,875	\$28.9	\$85.6	\$48,634	2.0	273.3	21.7	5.4
2006	1,778,813	593	1.51	598.0	5,529	\$33.6	\$91.5	\$50,115	2.7	262.5	22.2	5.1
2007	1,796,639	413	1.52	603.1	5,224	\$35.9	\$95.9	\$50,929	2.1	253.4	22.5	5.2
2008	1,814,629	510	1.54	608.0	4,925	\$37.8	\$100.6	\$51,715	2.3	247.2	22.8	5.1
2009	1,833,026	793	1.56	612.6	4,464	\$39.8	\$106.1	\$52,786	2.2	241.2	23.3	4.9
2010	1,852,097	1,321	1.58	616.8	4,728	\$42.3	\$113.0	\$54,307	2.4	236.1	23.9	4.6
2011	1,871,783	1,816	1.60	621.2	4,660	\$45.1	\$121.0	\$56,248	2.3	232.4	24.7	4.5
2012	1,891,593	1,886	1.62	625.5	4,927	\$48.0	\$129.5	\$58,381	2.1	229.2	25.7	4.6
2013	1,911,186	1,698	1.64	630.1	4,937	\$51.0	\$138.2	\$60,313	2.2	226.1	26.8	4.8
2014	1,930,351	1,387	1.66	634.7	4,533	\$53.9	\$146.8	\$62,086	2.2	223.5	27.8	4.9
2015	1,948,989	1,075	1.68	639.0	4,336	\$56.9	\$155.2	\$63,503	2.4	221.1	28.7	5.1
2016	1,967,181	880	1.70	643.0	4,066	\$59.8	\$163.5	\$64,629	2.5	218.8	29.6	5.3
2017	1,985,053	779	1.72	646.8	4,085	\$62.8	\$171.8	\$65,622	2.6	217.5	30.4	5.4
2018	2,002,850	835	1.74	650.6	4,355	\$65.8	\$180.0	\$66,531	2.4	216.0	31.5	5.4
2019	2,020,777	854	1.76	654.7	4,161	\$68.9	\$188.5	\$67,427	2.4	214.5	32.5	5.2
2020	2,038,756	657	1.78	658.6	3,916	\$71.8	\$196.8	\$68,165	2.3	213.1	33.4	5.1
2021	2,057,265	843	1.80	662.2	4,086	\$75.0	\$205.6	\$68,983	2.3	212.6	34.1	4.8
2022	2,076,257	1,069	1.82	666.0	4,023	\$78.4	\$215.1	\$69,845	2.4	211.4	34.5	4.7
2023	2,095,329	1,101	1.85	669.8	4,353	\$81.9	\$224.7	\$70,659	2.3	211.0	34.6	4.6
2024	2,114,338	1,099	1.87	673.9	4,138	\$85.4	\$235.2	\$71,744	2.2	209.8	34.2	4.6
2025	2,133,267	1,143	1.89	677.7	4,410	\$89.3	\$246.5	\$72,904	2.2	208.6	33.6	4.6
2026	2,152,213	1,185	1.91	681.8	4,213	\$93.5	\$258.4	\$74,084	2.3	207.5	33.6	4.4
2027	2,171,237	1,239	1.93	685.8	4,181	\$97.9	\$270.8	\$75,212	2.3	206.4	33.6	4.3
2028	2,190,353	1,287	1.95	689.7	4,314	\$102.6	\$283.9	\$76,230	2.5	205.8	34.0	4.2
2029	2,209,473	1,249	1.96	693.7	4,177	\$107.3	\$297.3	\$77,182	2.5	204.7	34.4	4.1
2030	2,228,665	1,281	1.98	697.6	4,458	\$112.2	\$311.1	\$78,143	2.5	203.5	34.2	4.0



# Santa Clara County Employment Forecast

## 1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
1997	931.7	5.07	36.3	247.2	16.7	124.3	32.3	181.3	28.1	81.4	64.6	88.5
1998	961.5	5.15	41.1	246.1	16.9	126.2	33.8	196.7	29.0	84.2	66.7	88.9
1999	976.6	5.28	44.6	234.9	17.3	128.9	34.2	207.1	32.5	85.5	68.6	91.4
2000	1,035.0	5.01	47.4	251.7	17.5	132.9	34.0	225.8	42.7	85.2	71.4	94.5
2001	1,008.1	4.62	47.8	240.6	16.3	128.9	35.2	210.0	41.9	89.8	72.0	94.6
2002	907.3	4.47	42.3	201.2	15.0	119.3	35.0	173.2	34.2	91.1	67.4	98.1
2003	860.0	4.24	39.2	175.5	14.0	114.9	34.6	166.2	31.3	92.9	67.5	94.7
2004	851.0	4.08	40.1	167.9	13.3	114.2	34.7	165.4	32.7	94.0	68.3	91.7
2005	856.8	3.87	41.3	164.9	13.0	115.9	35.4	166.4	34.7	95.4	69.8	91.4
2006	871.6	3.81	42.5	165.4	12.9	117.9	35.7	171.4	37.4	96.4	70.9	92.2
2007	883.3	3.75	43.5	166.0	12.9	119.0	35.9	174.9	39.4	97.7	71.8	93.3
2008	896.7	3.71	44.1	165.7	13.0	120.3	36.1	179.1	41.5	100.2	72.8	94.7
2009	912.7	3.68	44.5	165.7	13.2	122.2	36.3	185.9	42.9	102.4	73.9	96.2
2010	932.8	3.65	45.0	165.7	13.5	124.5	36.5	195.8	44.5	104.4	75.0	97.7
2011	956.3	3.63	45.5	166.6	13.8	126.8	36.8	207.9	46.2	106.5	76.2	99.5
2012	979.2	3.61	46.2	167.0	14.0	129.1	37.0	220.8	47.6	108.3	77.1	101.2
2013	999.7	3.59	46.6	167.1	14.2	131.1	37.2	232.4	49.2	110.1	77.9	102.9
2014	1,017.3	3.57	46.7	166.6	14.2	132.9	37.4	242.4	50.6	111.9	78.5	104.5
2015	1,032.3	3.56	46.7	165.7	14.3	134.6	37.6	250.8	51.9	113.8	79.1	106.1
2016	1,045.8	3.54	46.4	166.0	14.3	136.1	37.8	256.7	53.2	115.7	79.6	107.8
2017	1,058.6	3.54	46.3	166.1	14.4	137.6	37.9	262.0	54.6	117.6	80.1	109.4
2018	1,072.0	3.53	46.3	166.3	14.5	139.2	38.1	267.0	55.9	119.9	80.8	111.0
2019	1,085.5	3.52	46.2	166.2	14.7	140.9	38.3	272.1	57.1	122.2	81.5	112.6
2020	1,097.2	3.51	46.0	165.3	15.0	142.5	38.5	277.1	58.2	124.2	82.1	114.2
2021	1,110.9	3.51	46.0	165.5	15.3	144.3	38.6	282.0	59.2	126.4	82.9	115.9
2022	1,126.2	3.50	46.0	166.8	15.6	146.2	38.8	287.0	60.2	129.1	83.7	117.6
2023	1,141.4	3.50	46.2	168.1	15.8	147.9	38.9	291.9	61.2	131.7	84.3	119.3
2024	1,156.3	3.49	46.2	169.3	16.0	149.5	39.1	296.7	62.9	134.1	84.9	121.0
2025	1,171.5	3.48	46.4	170.4	16.2	151.1	39.2	301.6	65.0	136.4	85.4	122.8
2026	1,186.8	3.47	46.4	171.7	16.4	152.8	39.4	306.4	67.3	138.5	85.9	124.6
2027	1,202.4	3.47	46.4	172.9	16.6	154.4	39.6	311.6	69.7	140.5	86.5	126.4
2028	1,217.9	3.46	46.6	174.2	16.8	156.0	39.8	316.3	72.2	142.5	87.0	128.3
2029	1,232.8	3.46	46.5	175.4	17.0	157.5	39.9	320.7	74.5	144.6	87.6	130.2
2030	1,247.7	3.45	46.7	176.7	17.2	159.0	40.1	324.9	76.6	146.7	88.3	132.2

